

**MINUTES OF THE TOWN OF GILBERT, ARIZONA SELF-INSURED TRUST FUND FOR HEALTH
INSURANCE BENEFITS BOARD OF TRUSTEES MEETING
CONFERENCE ROOM 300, 50 E. CIVIC CENTER DR., GILBERT, ARIZONA
April 24, 2019**

MEMBERS PRESENT: Anthony Panepinto, Chairman

Mary Dellai
Kelly Pfof

MEMBERS ABSENT: Councilmember Jared Taylor
Stephanie Perkins

STAFF PRESENT: Kristen Drew, Human Resources Manager
Jolean Fleck, Human Resources Director
Donna Pedrera, Sr. Human Resources Analyst
Cris Welch, Budget Analyst

GUESTS PRESENT: Kerrin Matousek, Willis Towers Watson
Lindsey LaRue, Willis Towers Watson

1. Call to Order

Chairman Panepinto called the meeting to order at 5:00 PM.

2. Roll Call

Ms. Pedrera called roll and a quorum was declared.

3. Communication from Citizens

None

4. Financial Reports as of March 31, 2019

Motion.

Ms. Pedrera reviewed the financial reports as of March 31, 2019, which show a positive net position for both medical and dental for a total of \$6.2M. This is due in part to stable claims trends and an improved interest yield.

Mr. Panepinto motioned to approve the financials as presented and Ms. Dellai seconded the motion. The motion passed 3 – 0.

5. Review of Plan Dashboard

Discussion only.

Ms. Matousek reviewed the plan dashboard effective February 2019. Information is positive, with enrollment increasing 5.5%, an increase in claims costs of 2.9%, which is below national trends. The plan is running at 87% of accrual, which is very good. There are more high claimants over \$50K than this time last

year and those were reviewed as to status. Willis representatives will request additional information so we can determine which will be ongoing and what the potential cost implications are for the plan year.

6. FY20 Stop Loss Recommendation

Motion.

Ms. Drew explained that staff received several quotes for Stop Loss, which have been narrowed down to two viable options. Ms. Pedrera reviewed those options: continue with current provider for a 10% increase, which is still below the 20% average increase plans are seeing, or go with a new vendor offering a discounted premium but lasering a specific member and procedure. This results in a guaranteed savings on the premium but a potential risk of cost. The Town will also be going out for RFP next year which should return competitive quotes.

The Board discussed this in regard to the potential cost impact to the fund and the current health of the fund.

Ms. Pfof motioned to approve Berkshire Hathaway as the Stop Loss vendor for FY20 and Mr. Panepinto seconded the motion. The motion passed 3 – 0.

7. Recommendation of EAP Provider

Motion.

Ms. Drew reviewed that the Current Employee Assistance Program (EAP) provider covers all employees for a PEPM rate, for 1 – 6 visits and a fee of \$60 for visits 6 – 12. HB2502 requires that Public Safety first responders have up to 36 visits, and require that they be with a psychologist or psychiatrist. EAP Preferred, the current provider, does not have enough staff that meet that criteria, and public safety prefer providers that understand public safety. Staff reviewed ComPsyche, another provider that does meet the requirements of HB2502, as well as the preference of public safety personnel. ComPsyche would provide the 1 – 12 visits for all employees for a competitive PEPM rate, and the additional visits up to 36 for public safety would be at the rate of \$105 / visit. This rate is below the retail billing rates of \$200 - \$250 and the standard work comp rate of \$160. The providers at ComPsyche also accept work comp insurance, so if the public safety employee chooses to file a work comp claim, the treatment could continue rather than have to start over. In the event of a work comp claim, the fees would be subrogated from the health fund, through the work comp insurance.

The Board had some discussion and staff reiterated that the current EAP provider does not meet the requirements of the legislation and public safety stakeholders support ComPsyche as a vendor. Staff stated that they will work with the current vendor on a transition plan, as approximately 20 employees are currently at some point of utilization, and will have the transition complete by the end of FY20, Q1, September 30, 2019.

Ms. Pfof motioned to approve ComPsyche as the EAP provider effective by September 30, 2019 and Ms. Dellai seconded the motion. The motion passed 3 – 0.

8. Demo of Be-Well Central

Information only.

Ms. Pedrera gave the Board a demonstration of the new automated enrollment system that went live on April 17, and is in final testing prior to open enrollment on 5/13 – 5/29. Staff will do information sessions

ahead of open enrollment, then open sessions to assist employees with enrolling during the specified open enrolment period.

9. Staff Update and Future Agenda Items

Ms. Drew informed the Board of the current negotiations between Dignity Health Group and Aetna. Dignity is a big part of the Preferred plan, which 43% of employees are on. While these negotiations are common and typically reach a resolution, staff is working on contingency plans. Likely an agreement will be reached, but at a higher negotiated rate than the current year, which will result in increased claims costs for FY20. Staff is expecting an update in the next few days and will update the Board. If no agreement is reached, the Board may need to reconvene to discuss options.

Other updates include improved award status for the Wellness program, ranking platinum for the Healthy Arizona Worksite Program, which is the highest rank possible. The Wellness program continues to grow with increased participation. Staff has been focused on increasing preventive visits and stress reduction, both of which are on target to achieve or exceed the set goals. Staff is also continuing to work on the Health Trust Guide Document.

The next quarterly meeting is scheduled for July 24, 2019.

10. Approval of Minutes of Prior Meetings

Motion.

Mr. Panepinto motioned to approve the minutes of March 11, 2019 and Ms. Pfof seconded the motion. The motion passed 3 – 0.

11. Adjournment

Mr. Panepinto motioned to adjourn the meeting. Ms. Pfof seconded the motion. The motion passed 3-0. The meeting adjourned at 6:16 PM.

Anthony Panepinto, Chairman

ATTEST: _____
Kristen Drew
Human Resources, Benefits Manager